

**MINUTES TO A
REGULAR MEETING OF THE
BOARD OF DIRECTORS
STONEWALL WATER CONTROL AND IMPROVEMENT DISTRICT**

June 19, 2025

The Board of Directors of the Stonewall Water Control and Improvement District (the "District") held a regular meeting at 9:00 a.m. at the Stonewall Volunteer Fire Department located at 14854 US Highway 290, Stonewall, Texas 78671, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code, whereupon the roll was called of the members of the Board, to-wit:

Nikolaus Hopkins	President
Mark Nebgen	Vice-President
Laurel Hoekstra	Secretary
Henry Rohlf	Treasurer
Louis Eckert	Director

All Board members were present except Secretary Hoekstra. Also in attendance was Dirk Jordan ("General Counsel") and Timothy Young with Professional General Management Services, Inc. ("General Management").

1. Call to Order and Establish a Quorum.

President Hopkins, after finding the notice of the meeting was posted as required and that a quorum of the Board of Directors was present, called the meeting to order and declared it open for such business as may come before it at approximately 9:57 A.M.

2. Receive Comments from the Public

None.

3. Minutes to May 15, 2025, Regular Meeting

Draft minutes to this regular meeting were presented and discussed. With no corrections noted, Treasurer Rohlf moved to approve the minutes. Vice-President Nebgen seconded the motion. After full discussion and all voting in favor, the motion carried.

4. Payment of Current Bills and Invoices.

Treasurer Rohlf presented the invoices to be approved for the period and discussed those invoices in some detail. With no other extraordinary bills or invoices, Vice-President Nebgen moved to approve the invoices as presented. Director Eckert seconded the motion. After full discussion and all voting in favor, the motion carried.

5. Financial Statements for the Period Ending May 31, 2025.

Treasurer Rohlfs presented the financial reports for the period ending May 31, 2025, to include a Balance Sheet and a Profit and Loss Statement.

Treasurer Rohlfs reported that tax collections have come in. There are no expected changes to the District's investment accounts as interest remains at +/- 4.3% in the last reporting period. However, the Districts CD account will mature in the next period. Reinvestment shall be approved at the next regular meeting.

It was noted that Heartland Financial has reimbursed previous, erroneous charges to the District's account.

With no corrections needed, Director Eckert moved to approve the May 2025 Financial Reports as presented. Vice-President Nebgen seconded the motion and after full discussion and all voting in favor, the motion carried.

6. Receive operations report relating to current system operational issues and take action deemed necessary thereon. (Presented by Professional General Management Services, Inc.)

Management presented the System Operations and Management Report to include (a) water accountability, (b) status of system accounts and (c) significant events. A copy of the Systems Total Report, Allocation of Receipts, Exceptional Usage Report and Adjustments Report were also presented and discussed as a matter of routine.

An update on the current drought conditions was reported. The Hill Country Underground Water Conservation District has declared a Stage 4 drought for the Stonewall area. This declaration requires a 20% reduction on pumping from all permit holders. The Stonewall WCID drought plan requires a 20% reduction in Stage 2 so the District will continue in a Stage 2 Drought Condition. Recent rains have caused a noticeable increase in the local aquifer. Though positive, the District should continue to conserve water as able.

PGMS called the GCD for a second time to let them know the level indicator at well #2 is not working, to which they said they are aware of the failure and are in contact with the level indicator manufacturer to have repairs made.

Management also reported that there has been no substantial work completed for the District, with the TxDOT Highway 290 Project. Capital Excavation has been standing by until the paving is complete. Once done, Cap EX will finish bringing valve covers and hydrant to grade as well as installing "Valve" markers. The signs are done on the north side and will be placed on the south side when the paving is complete. TXDOT now claims the paving will be completed in June.

A small leak reported at the new GST was repaired on Thursday, May 15. No additional leakage has been noted.

The older Ground Storage Tank has not shown any signs of leakage in the last reporting period.

Vice-President Nebgen moved to approve the management report as presented. Treasurer Rohlfs seconded the motion. After full discussion and all voting in favor, the motion carried.

7. New Business.

- Review/Approve 2025-2026 Annual Budget.

Treasurer Rohlf presented the Final 2025-2026 Budget for approval. It was noted that changes to the federal tax code will impact the District by increasing the allowable Homestead Exemptions. Vice-President Nebgen moved to approve the management report as presented. Director Eckert seconded the motion. After full discussion and all voting in favor, the motion carried.

- General Security

The District continued discussion about the general security of the water plant and critical infrastructure within the distribution system. Discussion has centered around security cameras and the required technology to view them. No action was taken.

- Multi-Project Development.

PGMS was contacted by Mr. Lee Adams, who is in the preliminary phase of purchasing the vacant Burg property on Highway 290 and Elberta. They plan to complete their development in two phases. The first being multi-use commercial use, including restaurants, shops and a boutique hotel. The second phase may include, up to, 100 small “senior cottages” along Ranch Road 1.

PGMS will request an in-person meeting with the development group as well as any interested Stonewall members. Details will be provided as available.

8. Old Business – Operations Update, take action as needed.

- Update to Plaque Placement at the Plant. The plaque and decorative signpost have been picked up and a hole dug. The sign will be installed by volunteers as soon as recent rains let up and the ground has a chance to dry.
- Update on Highway 290 Expansion. “Water Line” and “Water Valve” signs have been placed on the north side of the highway. The north side will be completed once paving is done.
- Update on Grant progress / Reimbursement of funds. TXDOT has confirmed receipt of the District’s reimbursement request and are reviewing it for approval.
- Update on Well Progress. Texan Water Services report that they will be drilling test holes on July 2nd. If sufficient water is found, the permanent well bore will be scheduled. Repairs to the surrounding fence will be made and if water is found, a gate will need to be installed along with an all-weather access road.

9. Secretary’s Report.
None

10. Treasurer’s Report.
None

11. President’s Report.
None

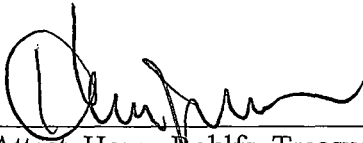
12. Other matters that may come before the Board and take action necessary thereon.
None

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at approximately 11:23 A.M.

PASSED AND APPROVED this 17th Day of July 2025.



Nikolaus Hopkins, President
Stonewall Water Control and Improvement District



Attest, Henry Rohlfs, Treasurer
Stonewall Water Control and Improvement District